TELEVISION BROADCASTS LTD. & ORS.

v.

SEREMBAN VIDEO CENTRE SDN. BHD.

HIGH COURT MALAYA, SEREMBAN
PEH SWEE CHIN J
[CIVIL SUIT NO. 170 OF 1983]
12 SEPTEMBER 1983

TRADEMARKS: *Infringement of - Cinematograph films - Damages - Irreparable to be established - Whether damages an adequate remedy - Donee of a power of attorney - Whether a responsible officer - Section 12A(2) of Copyright Act - Whether directory or mandatory - Whether foreign company could acquire copyright in Malaysia - Whether non-exclusive licensee has locus standi to sue.*

CIVIL PROCEDURE: *Interim injunction - Anton Piller order - Appeal against order dismissing notice of motion to set aside.*

The plaintiffs obtained an injunction to restrain the defendant from infringing their copyright in certain cinematograph films by making and distributing video cassettes. The defendant now appeals against an order dismissing its notice of motion to set aside the interim injunction inclusive of an Anton Piller order on the following grounds:

(a) that the damage in this case was not irreparable.

(b) that the affidavit sworn by the general manager of the 3rd plaintiff was improper in respect of the 1st and 2nd plaintiff's pursuant to s. 12 A(2) of the Copyright Act which requires the affidavit to be made by any responsible officer of that company.

(c) that the memorandum of association of the 3rd plaintiff did not authorise the acceptance of the power of attorney.

(d) that the 1st and 2nd plaintiffs were foreign companies and as such could not acquire any copyright in Malaysia unless the Minister of Commerce & Industry made a regulation to extend the application of the Act to foreigners pursuant to s. 20 of the Act.

(e) that the 3rd plaintiff was a non-exclusive licensee and as such could not therefore sue in its own name.

Held:

[1] Despite the express provision of an injunction as one of the reliefs in an action for infringement of a copyright by s. 14(3) of the Copyright Act 1969, an applicant must establish that damages would not be an adequate remedy.

[2] One of the ways of establishing the aforesaid is by showing that the damage is irreparable i.e. that the act complained of is likely to destroy the subject matter in question.

[3] Proliferation of the cinematograph films in the form of video cassettes can be regarded as total destruction of copyright.

[4] A donee under a power of attorney was a responsible officer within the meaning of s. 12A(2) of the Copyright Act. Therefore the affidavit sworn by the general manager of the 3rd plaintiff under a power of attorney granted to the 3rd plaintiff by the 1st and 2nd plaintiffs was adequate and proper.

[5] The provisions of s. 12A(2) of the Act are merely directory and not mandatory.

[6] It was unnecessary for the plaintiffs to show that their Memorandum of Association permitted the granting and acceptance of a power of attorney.

[7] Section 6 of the Copyright Act granted copyright to foreigners.

[8] Section 20 of the Copyright Act applied to any work of any foreigner who could not acquire copyright under s. 6 of the Act.

[9] A non-exclusive licensee can sue in its own name if it joins the copyright proprietor.

[Defendant's motion dismissed.]

Cases referred to:
Lee Yee Seng & Ors. v. Golden Star Video Bhd. [1981] 2 MLJ 43
Young & Anor. v. Odean Music House Pty. Ltd. & Anor. [1976] 10 ALR 153

Legislation referred to:
Copyright Act 1969, ss. 2(2), 4, 5, 6, 9(1)(A), 7, 12A(2), 14(3), 20

Other source referred to:
Halsbury's Laws of England, 4th Edn. Vol. 9, para. 880

For the defendant/applicant - Lee Lim Huat; M/s. Yusuf Gulam Lee & Co.
For the plaintiffs/respondents - V. L. Kandan; M/s. Shearn Delamore & Co.

JUDGMENT

Peh Swee Chin J:

By a notice of motion dated 16 May 1983, the defendant applied to set aside an interim injunction granted by the Court on 7 May 1983. By summons-in-chambers dated 7 May 83, the plaintiffs applied for the same order to be continued until the trial of this action. Both the notice and summons were heard together. After the hearing, the motion was dismissed; an order in terms of the summons except its prayer 3, was made on the summons and in both cases I further ordered costs in the cause. The defendant has now appealed.

Under the terms of the order made on 7 May 1983, the defendant is restrained, in substance, from committing various acts of infringing the copyright in respect of cinematograph films described therein. This order incorporates directions of the Anton Piller type, authorising the plaintiffs, in effect, and *inter alia,* to enter the premises of the defendant, for the purpose of removing infringing materials; inspecting and photographing infringing instruments and materials etc.

It was first submitted by learned Counsel for the defendant, that the damage in this case was not irreparable and the injunction ought to be set aside. Section 14(3) of the Copyright Act 1969, (the Act), however expressly provides, as if to remove any doubt at all of the availability of an injunction, as one of the reliefs in an action for infringement of a copyright. Such statutory provision, in my view, does not relieve an applicant for an injunction of the need of establishing, *inter alia,* that damages or more precisely, common law remedy of damages, would not be an adequate remedy. One of the ways of establishing this is to

establish, in turn, that, the injury sought to be prevented, is irreparable. An injury is deemed to be irreparable, it is settled and it is not difficult to comprehend, when the act complained of, is likely to destroy the subject matter in question. The copyright is, of course, the subject matter in question. Proliferation of the cinematographic films in the form of video cassettes, can be regarded as such destruction, if not total destruction, of such copyright. For another reason that the injury herein should be regarded as irreparable, the continuing process, as can be imagined, involved in such proliferation is another classic way of establishing that the injury would be irreparable. I therefore found Counsel's contention unacceptable.

It was next contended by learned Counsel for the defendant that the affidavit of one Yap Yee Ching, sworn to on 6 May 1983 and filed in support of the application for the order made on 7 May 1983 was improper, because of s. 12A(2) of the Act which states:

> (2) If the ownership of the copyright is claimed by a company or any other body of persons, the affidavit or statutory declaration shall be made by any responsible officer of that company or body of persons.

He submitted further to the effect, that the deponent was merely the general manager of the 3rd plaintiff but not a responsible officer of the 1st and 2nd plaintiffs and that the power of attorney granted to the 3rd plaintiff, could not be accepted by the 3rd plaintiff because, there was no evidence that the memorandum of association of the 3rd plaintiff could permit this. I could not accede to this highly technical objection because such a deponent need not be a salaried and high-ranking employee of either the 1st or 2nd plaintiff to be such a responsible officer. In my view, such a responsible officer, would include an attorney, i.e. donee under a power of attorney or other person duly authorised by the company or that body of persons in question. Even if there was a failure to comply with s. 12A(2), in the sense that it must be a salaried senior officer of a company or body of persons to swear such an affidavit, then in my view, the provisions of s. 12A(2) of the Act are merely directory and not mandatory. Neither was I able to accept the contention of Counsel that there was no evidence that the memorandum of association of the 3rd plaintiff permitted the 3rd plaintiff or rather the general manager of the 3rd plaintiff viz. the said Yap Yee Ching, to accept the power of attorney. This would be putting the cart before the horse as he who alleges anything must prove it. There was no need for the plaintiffs to produce such evidence. I do not think there could probably be such a provision of prohibition of accepting a power of attorney in any memorandum of association of any company for contents of a memorandum of association are governed by statutory provisions of the Companies Act, 1965 and such a provision would have been regarded, if considered, as highly undesirable commercially by any framer of any memorandum of association.

The third point taken by learned Counsel for the defendant was to the effect that the 1st and 2nd plaintiffs, being foreign companies, i.e. being companies incorporated outside Malaysia, could not acquire any copyright in our country unless there was an executive order to extend the application of the Act to such foreign companies or foreign citizens of such foreign country, (in this case, Hongkong), as a result of some international treaty signed for that purpose. He referred to s. 20 of the Act which empowers the Minister of Commerce and Industry to make such regulations to extend the application of the Act to such foreigners. Learned Counsel for the plaintiffs, on the other hand, relied on the case of *Lee Yee Seng & Ors. v. Golden Star Video Bhd.* [1981] 2 MLJ 43, and referred to s. 6 of the Act, under which, he submitted, a non-citizen could acquire copyright. Section 6(1)(a) provides:

6. (1) Copyright shall be conferred by this section on every work which is eligible for copyright and which -

(a) being a literary, musical or artistic work or cinematograph film is first published in Malaysia;

To understand the submission, it is pertinent to look at other sections of the Act. Under s. 4 of the Act, works eligible for copyright, (as distinct from works for which copyright is already acquired or on which copyright is already conferred), expressly include cinematograph films. For the meaning of the words, "first published" occurring in section 6 of the Act, mentioned above, one must look to s. 2(2) of the Act, which provides that, *inter alia*, a work shall be deemed to have been published if it is made available with the consent of the author to satisfy the reasonable requirements of the public, and that a first publication in Malaysia shall be deemed as such despite an earlier publication elsewhere so long as both publications took place all within the period of 30 days. Section 6 bears the sub-heading in the words, viz:

Copyright by reference to country of origin" while section 5 bears a different sub-heading of "Copyright by virtue of citizenship or residence.

The distinction between the two sub-headings is discernible, especially by comparing the contents of both sections.

The case of *Lee Yee Seng* cited by Counsel was decided after the Court had considered a large number of authorities cited therein. The Court held that the author mentioned of any eligible work need not necessarily be a citizen of Malaysia, but could be a foreigner. Learned Counsel for the defendant repeatedly invited this Court not to follow the decision of *Lee Yee Seng's* case. I declined his invitation because, on reading the report of *Lee Yee Seng's* case and ss. 5, 6 and 7 of the Act, to concede to Counsel's contention would, apart from anything else, either make s. 6 of the Act nugatory and completely redundant, or, to impute to provisions of s. 6, that author concerned must be a citizen or permanent resident of Malaysia, would be to impute a very unreasonable result to them having regard to the purpose of the preceding s. 5 which is to confer copyright by virtue of citizenship or residence. Learned Counsel also referred to s. 20 providing for the Minister to make regulations extending the application of the Act to foreigners of a country, being a party to any treaty with Malaysia for that purpose. In my view, s. 20 would apply to any work of any foreigner who cannot acquire copyright under s. 6 of the Act.

The fourth point taken by learned Counsel for the defendant was that the 3rd plaintiff was a bare licensee and could not therefore sue on its own name. I took him to mean, by bare licensee, a non-exclusive licensee. Counsel for the plaintiffs however cited a passage in *Halsbury's Laws of England*, 4th Edition, Vol. 9, para. 880, which says to the effect that a non-exclusive licensee can sue in his own name if he joins copyright proprietor as a co-plaintiff, and that was what the 3rd plaintiff had done herein by joining 1st and 2nd plaintiffs. This passage was approved by N.H. Chan J is an unreported judgment, Kuala Lumpur High Court C.S. No. 2427/82 and Bowen CJ in the Australian case of *Young & Anor. v. Odean Music House Pty. Ltd. & Anor.* [1976] 10 ALR 153, 161 Line 50. I would also hold that a non-exclusive licensee can sue in its own name if it joins the copyright proprietor.

If I am held to be wrong on this, it would be desirable to look into Counsel's argument. He argued that the granting of an exclusive licence to the 3rd plaintiff from one HK - TVB International Ltd. (TVBI) was not valid because TVBI did not itself obtain an exclusive licence from the 1st plaintiff, the copyright proprietor. Bearing in mind, that at this stage of an

application for an interim injunction, the 3rd plaintiff need not conclusively prove a clear legal title, one must look into the agreement in question between 1st plaintiff and TVBI, dated 1 June 1981. Under this agreement, *inter alia*, TVBI was granted expressly exclusive right outside Hongkong to publish, reproduce etc. the films in question and to grant sub-licences in connection therewith. The contents of this agreement all pointed to one way; that of an exclusive licence. Counsel for defendant referred to clause 3(d) as supporting his contention. By this clause 3(d), the TVBI undertook to notify the 1st plaintiff of any infringement and to provide assistance in legal proceedings in connection therewith. It merely imposed an obligation on the TVBI to assist in dealing with infringers, following the privilege of exclusive right granted to TVBI. Counsel argued that by reserving the right to sue to itself (1st plaintiff), 1st plaintiff could not have granted an exclusive licence. In the first place, I was unable to see the words in clause 3(d) as constituting such reservation of right to sue by the 1st plaintiff. Far from reserving such right to itself (1st plaintiff), the words therein were capable equally of meaning that if 1st plaintiff required, TVBI would be obliged to identify the infringers and sue them. Counsel next complained of the agreement between the 2nd plaintiff and the 3rd plaintiff which it was submitted, did not likewise confer an exclusive licence on the 3rd plaintiff. He relied on clause 5 of the agreement in question dated 27 July 1982. The agreement expressly granted exclusive licence to 3rd plaintiff to produce, manufacture and distribute etc. the films in question. Clause 5 relied on however provided that the agreement did not confer on the 3rd plaintiff "copyright and/or other rights subsisting" in the films. This clause in my view was merely declaratory of the fact that despite the grant of extensive and exclusive right, the 2nd plaintiff would remain as the copyright proprietor. It was precautionary to state that this agreement did not confer any copyright on the 3rd plaintiff and there was an excess of caution when it went on to say "... and/or other rights subsisting ..." in the films. The words "... and/or other rights subsisting ..." following immediately the word "copyright", must be construed as confined to the preceding word "copyright", i.e. the rule of *ejusdem generis* must apply. Further these general words of the agreement about not conferring on the 3rd plaintiff "... and/or other rights subsisting" in the films could not in my view apply to extend to these very express, detailed and particular words of the agreement providing for manufacturing and publishing etc. in relation to the exclusive right granted under the agreement so as to destroy those particular provisions. General words do not derogate from special words, i.e. *generalia specialibus non derogant.* I could not also accept Counsel's contention about this clause 5.

I therefore dismissed the defendant's motion and made the orders mentioned above.

Also found at [1984] 1 CLJ 196